

U.S. GOVERNMENT IP ENFORCEMENT QUARTERLY UPDATE – FY2008 Q2

CALENDAR

- April – WTO Dispute Resolution Panel – Geneva
- April 30 – Release of USTR Special 301 Report
- April 30 - U.S.-Japan-EU Trilateral IPR Conference - Bangkok, Thailand
- May 14, Week of – Election of WIPO Director General - Geneva
- May 14-16 – International Anti-Counterfeiting Coalition Conference - Berlin
- May 16 – U.S-EU IP Working Group – Berlin
- May 17-21 – International Trademark Association Convention - Berlin
- May 19-23 – Heads of the Largest 5 Patent Offices Meeting – USPTO
- June 3-4 – ACTA Negotiations - Geneva
- June 18 – US-India High Technology Cooperation Group - San Diego
- June 26 – SPP Consumer Awareness Event - Halifax, Canada
- July 7-9 – G8 Leaders Meeting - Japan

INDUSTRY OUTREACH

- On January 7, CBP met with representatives from the aerospace industry to discuss border enforcement assistance.
- January 16, CBP addressed members of the Center for Lifecycle Engineering at the University of Maryland. Members included representatives from the private sector and academia.
- On February 22, CBP participated in an Industry roundtable in New York sponsored by the International Anti-Counterfeiting Coalition.
- On February 27, representatives from the Department of Commerce, Customs and Border Protection, and U.S. Trade Representative's Office participated in the U.S. Chamber of Commerce's 2nd Annual Global Forum on Innovation, Creativity, and Intellectual Property in Mumbai, India
- In FY08 Q2, the International Trade Administration conducted 15 outreach and training events to more than 800 U.S. government and industry representatives. Outreach was conducted in Washington, D.C., Dallas, TX, Chicago, IL, and Vancouver, Canada.

STOP! HOTLINE

FY 2008 YTD - Contacts:744
FY 2008 Q2 - Contacts: 362

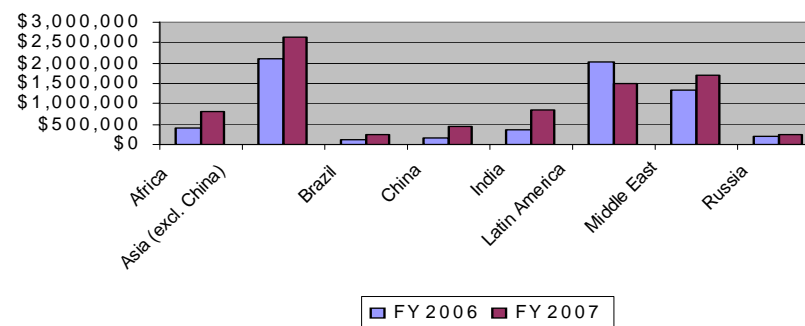
STOPFAKES.GOV

FY 2007 Q4 - Hits:438,583 - Views:38,395
FY 2007 Q3 - Hits:454,145 - Views:42,366

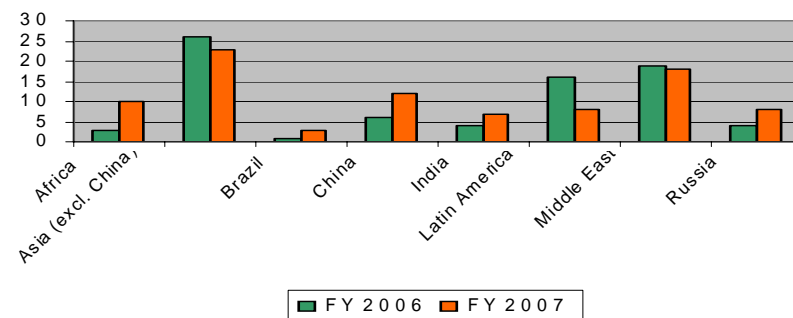
TRAINING & CAPACITY BUILDING PROGRAMS

In FY 2007, the U.S. Government expended \$11.6 million on IP-focused training and capacity building programs, up from \$8.4 million in FY 2006.

USG Expenditures on IP Training Programs



Number of IP Training Programs



Upcoming Training Programs

- April 14-25 – MEPI Enforcement Study Tour
- April 15 – Patent Prosecution Workshop in Beijing
- April 17 – USPTO-SIPO TK/GR Workshop in Shanghai
- May 5-7 – Global IP Academy Enforcement Program at USPTO
- May 19-23 – Advanced Border Enforcement Training in Kuwait
- May 19-23 – Tunisia Patent Program on UPOV
- June 16-20 – Global IP Academy Enforcement Program at USPTO

DOJ ENFORCEMENT UPDATE

- Over \$76 Million in Counterfeit Cisco Hardware and Labels Seized (Feb. 28 – Washington, DC) DOJ announced the results of an ongoing international enforcement initiative between the United States and Canada that targets the illegal distribution of counterfeit network hardware manufactured in China. To date, this initiative has led to more than 400 seizures of counterfeit Cisco network hardware and labels with an estimated retail value of more than \$76 million. The cooperative effort by the Department of Homeland Security (ICE & CBP), and the FBI on intercepting the counterfeit hardware at ports of entry and dismantling illegal supply chains in the United States has achieved significant successes in protecting the public from the risk of network infrastructure failures associated with these counterfeits.
- Three Defendants Charged in \$100 Million Counterfeit Goods Conspiracy (Richmond, VA) On January 16, a seven-count indictment was unsealed in the Eastern District of Virginia charging Chong Lam, 49, Siu Yung Chan, a.k.a. Joyce Chan, 39, and Eric Yuen, 39, all of New York with conspiracy to traffic in counterfeit goods, trafficking in counterfeit goods, and illegally smuggling counterfeit goods into the United States. Lam, Chan, Yuen, and their fellow conspirators operated a massive international import and wholesale counterfeit goods business, whereby they imported counterfeit handbags and wallets into the United States from China and sold those goods for profit. The value of the corresponding authentic luxury goods manufactured by Burberry, Louis Vuitton, Gucci, Coach, and others, whose legitimate sales were displaced, is over \$100 million. Investigators estimate that the defendants received \$16 million in illicit proceeds. The United States seeks to forfeit the contents of 29 bank accounts and three properties associated with the illegal proceeds. The defendants each face 55 years in federal prison and \$8.75 million in fines if convicted on all charges.
- California Man Convicted of Stealing Microwave Technology Trade Secrets (Feb. 29 – Sacramento, CA) Allen Cotten, a former employee of Genesis Microwave, Inc., pled guilty to theft of trade secrets which had military applications. Cotten admitted stealing plans, designs, specifications and mechanical parts, and hardware for the manufacture and testing of detector logarithmic video amplifiers (DLVAs) and successive detection logarithmic video amplifiers (SDLVAs), which are components used in microwave technologies. The military applications of these technologies include enhancing navigation and guidance capabilities, radar jamming, electronic countermeasures, and the ability to locate and pinpoint enemy signals during warfare. Cotten also admitted selling and offering to sell the stolen trade secrets to foreign governments. This investigation and prosecution represents a continuing effort by the Department of Justice's Export Enforcement Initiative to harness the various export control or proliferation-related assets in the law enforcement and intelligence communities. The defendant is scheduled to be sentenced on May 16, 2008, and faces a maximum statutory penalty of 10 years imprisonment and a fine of \$250,000.

ICE INVESTIGATION UPDATE

- Alleged Distributor of Counterfeit Pharmaceuticals Extradited - (HOUSTON, Texas) – In February 2008, Randy Gonzales, 40, a citizen of the Republic of the Philippines, was extradited to the United States from Bangkok, Thailand, for conspiring to import and distribute counterfeit pharmaceutical drugs into the United States. Gonzales' is the first foreign national to be extradited to the United States for conspiring to import and distribute counterfeit pharmaceuticals.
- Greek National Indicted for Selling Counterfeit Prescription Drugs to Internet Pharmacies and Undercover Agents (Denver, Colorado) – In April 2008, Georgios Xydeas, a Greek national, appeared in U.S. District Court in Denver for a detention hearing. At the hearing U.S. Magistrate Judge Michael J. Watanabe ordered Xydeas to be held without bond pending trial. Xydeas' prosecution is a culmination of a three-year investigation by ICE, the FDA/OCI and the United States Attorney's Office into the operation of internet pharmacies that do not adhere to U.S. law, and their foreign sources of supply that send thousands of counterfeit, misbranded and unapproved prescription drugs into the U.S. illegally each year. The investigation netted two firsts of its kind.

CBP ENFORCEMENT UPDATE

- On February 21, the US and the EU issued a joint press release on the results of Operation Infrastructure. The joint operation resulted in the seizure of more than 360,000 counterfeit integrated circuits and computer network components with more than 40 trademarks. http://www.cbp.gov/xp/cgov/newsroom/news_releases/archives/2008_news_releases/feb_2008/0222_2008.xml